

FILE ONLY

CIA sued in failure of Rewald's firm

By James Dooley
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A former legal consultant to Ronald Rewald's firm yesterday filed a \$5 million lawsuit against the CIA, alleging that he was led to believe the company was part of an undercover CIA operation designed to infiltrate international banking operations.

The suit was filed in San Francisco by Robert Jinks, an attorney affiliated with Rewald's firm — Bishop, Baldwin, Rewald, Dillingham and Wong Inc. — first in Honolulu and later in Napa, Calif.

Jinks' connections to Rewald and the company brought him under the scrutiny of the federal Securities and Exchange Commission (SEC), according to federal court testimony here last August.

According to United Press International, Jinks said in the suit filed yesterday that he invested \$500,000 of his own money and that of some 14 other investors in Rewald's firm between October 1982 and June 1983, after he was assured of a 20 percent return on the money because of the company's reputed relationship with the CIA.

Jinks said he had numerous meetings with Rewald in the presence of the CIA director in Honolulu.

That was an apparent reference to former Honolulu CIA station chief John Kindschi, who invested personal funds in Rewald's company and also worked as a consultant to the firm after his retirement from the CIA.

Independent checks convinced Jinks that the meetings and the CIA assurances of government backing of investments in Rewald's firm were legitimate, the suit said.

"Jinks is confident that Bishop Baldwin was run by the CIA in order to infiltrate international banking operations in order to discover transfers of capital to and from communist countries," attorney Rodney Klein told UPI. "If Bishop Baldwin was not a CIA operation, CIA agents were negligent in not telling Jinks

"Plaintiff would not have invested in Bishop Baldwin if he had known that his investment was not guaranteed by the United States," Klein said.

The suit seeks \$5 million in general damages, restitution of each investor's principal and 20 percent interest a year for each deposit.

Depositions about the Napa operations were taken by the SEC last year in conjunction with a civil fraud suit brought by the SEC against Rewald and his company.

In a federal court hearing here last year, Jinks told SEC attorney Anita Nagler that while in Napa, he was a legal consultant to Rewald's firm, earning some \$4,000 per month.

He acknowledged distributing literature stating that investments in the firm were guaranteed by the federal government up to \$150,000 per account. Federal officials have said that even if the government did insure those types of accounts — it doesn't — the maximum per account would be \$100,000.

Jinks said at the same hearing that he was a general partner in Napa Properties, a limited partnership that invested some \$900,000 from Bishop Baldwin investors in a Napa apartment building.

He also said that he co-signed the master lease on Bishop Baldwin's suite of offices in Grosvenor Center in Honolulu.

He said he signed the lease in his capacity as trustee of the Halvorsen Trust, created by a Big Island man, Leland Halvorsen, who was murdered in 1978.

Halvorsen's widow, Elizabeth Halvorsen, sued Jinks last year, alleging mismanagement of the multimillion-dollar trust. Jinks later agreed to the appointment of Hawaiian Trust Co. Ltd. as co-trustee.

Mrs. Halvorsen has claimed of loss of some \$800,000 of her own money through an investment with Rewald's firm. She lived next door to Rewald on Kalaniana'ole Highway after moving to Honolulu from the Big Island.